

SUMMARY OF
USACE/ACEC LEADERSHIP MEETING
20 FEBRUARY 2001

1. The leadership for the U.S. Army Corps of Engineers (USACE) and the American Consulting Engineers Council (ACEC) met on 20 February 2001 at HQUSACE. USACE was represented by LTG Robert Flowers (Commander), Fred Caver (Deputy Director, Civil Works), Dwight Beranek (Chief, Engineering and Construction), Dave Sanford (Chief, Interagency and International Services), Don Evick (Staff, Engineering and Construction), and members of the Commander's Planning Group. Arlo "Arnie" Spiess (President) and David Raymond (Executive Vice President and Chief Executive) represented ACEC. The meeting started at 0930 and ended at 1100, however LTG Flowers had to leave the meeting at 1015 as scheduled for another commitment.
2. LTG Flowers discussed the Corps' "refreshed" vision and accompanying campaign plan that will be issued on 30 March 2001. ACEC is invited to comment on the draft plan, which is on the USACE website. The plan stresses service to the nation and public, and deletes "seeking growth opportunities" which has been a contentious issue with industry. The Corps can provide much assistance to other government agencies that have lost or do not have engineering expertise. LTG Flowers recognized that there is a potential at time for USACE and ACEC "to be at odds" over the Corps' assistance to other agencies. However, we can generally resolve the issues with good communications.
3. Mr. Spiess discussed the growing opportunities for U.S. engineering firms in the global economy, and how the Corps can be a valuable partner in seeking this work. LTG Flowers said that the Corps and industry have not made enough use of the Corps' authority to assist firms in overseas work, especially the unique expertise of the Corps' laboratories. This is a productive area for collaboration. The two leaders also discussed the need for the two organizations to work together on the Nation's growing infrastructure problems.
4. LTG Flowers said he was willing to participate in major ACEC events. In response, Mr. Spiess invited LTG Flowers to speak at ACEC's annual convention in May if his schedule permits.
5. Mr. Beranek presented graphical information on the Corps' workload and personnel. Work for state and local governments is a very minor portion of the total USACE program, even though it has drawn a lot of criticism from industry. Over the last 10 years, the USACE total program has grown 37%, whereas the number of personnel has decreased by 16%. This increasing gap between workload and staff has resulted in more contracting to private industry. Finally, Mr. Beranek indicated that only 19% of the USACE workforce is in the engineering function. LTG Flowers said that the Corps is concerned with keeping the right mix of in-house expertise and contracting out. The Corps needs to do enough good technical work to attract and retain a world-class workforce.

SUBJECT: Summary Of USACE/ACEC Leadership Meeting, 20 February 2001

6. Mr. Beranek reviewed the history of the USACE-ACEC partnering agreement, which was signed in 1992. It was the first agreement of its type between a national engineering organization and a major Federal agency. Under the agreement, USACE and ACEC have been able to candidly exchange views, easily share information, and effectively resolve issues. The agreement needed updating due to the evolution of the two organizations in the last eight years and due to changing governmental and market conditions. The proposed updated agreement, developed by a joint working group, was briefly reviewed. A couple minor changes were made. The updated agreement places greater emphasis on value-based project delivery systems, collaboration in the global marketplace, and supporting both a healthy USACE and a strong engineering industry. LTG Flowers and Mr. Spiess will sign the agreement at the ACEC Federal Markets Conference on 12 March 2001 in Washington, DC.

7. Mr. Sanford discussed the Corps' interagency and international services. The primary mission of the Corps is to support the Army and the Nation. The Corps views itself as the Federal Engineer, with a responsibility to assist other agencies that need engineering and construction assistance. He discussed the policy changes as a result of Section 211 to WRDA 2000 that places additional controls on the Corps' work for state and local governments. This work will now require much stronger justification, be approved by HQUSACE and Army, and be reported annually to Congress. Also, the policy emphasizes the Corp's reliance on the private sector to provide engineering services to state and local governments. (ACEC was electronically provided a complete copy of the Chief of Engineer's policy memo to the field on interagency and international services.) Mr. Sanford said USACE has also decided that new work for Federal agencies (non-DoD) will be approved by HQUSACE. He was considering a mechanism for informing industry when USACE takes on new reimbursable work.

8. LTG Flowers then addressed the Army Inspector General Report on the Corps' Upper Mississippi River Study. He said it was a very difficult study that "got ugly." He noted that the investigation was conducted before any draft study report was even issued, and the allegations of wrongdoing originated from the Corps' actions to assure balance. However, the Corps is taking the IG findings seriously. For example, USACE is implementing study management changes and evaluating the process for obtaining independent, outside review. The Corps' goal is always to find a win-win solution for government and industry. The Chief of Engineers also presented a few statistics supporting the reliability of the Corps' feasibility studies.

9. Both Mr. Spiess and Mr. Raymond stated ACEC's respect for the Corps and that ACEC was willing to show support for the Corps where appropriate. Mr. Spiess also said that he certainly agreed with the need for the Corps to maintain technical expertise. However, Mr. Raymond said ACEC still objects to the Corps going into areas where ACEC members have typically worked. LTG Flowers replied that we must communicate when such issues arise. (LTG Flowers then left the meeting.)

10. Mr. Caver discussed the Civil Works strategic plan that is under development. The Corps has been too narrowly focused on its projects, and not the big picture of the

SUBJECT: Summary Of USACE/ACEC Leadership Meeting, 20 February 2001

Nation's water resources. Hence, the new strategic plan sets a more proactive role for the Corps in identifying problems and creating collaborative solutions that balance environmental quality and the need for development. He discussed the 16 public listening sessions held around the country to obtain feedback on the civil works program. He reviewed the five strategic goals; 1) Provide sustainable water resources development and management; 2) Restore environmental degradation; 3) Provide justified levels of project services of high quality; 4) Reduce losses from natural and man-made hazards; and 5) Be a world-class technical leader.

11. Mr. Caver also reviewed the growing backlog of civil works projects. The viable construction backlog is \$38 billion, which doesn't include WRDA 2000 authorizations. The critical operations and maintenance (O&M) backlog is \$451 million, and the total O&M backlog is \$1.6 billion. Mr. Spiess suggested that USACE and ACEC should get a group together to develop a water infrastructure plan and educate the public as to the nation's water resources needs. He said the Nation needs a "Water 21" bill like was done for surface transportation and airports.

12. There was also some brief discussion on business training for engineers. Mr. Spiess said that ACEC is now offering such training for its member firms. Mr. Beranek said that business training will be one of the three prongs of the "USACE University" now under development. Business education is already required for USACE acquisition personnel. All agreed that the two organizations should collaborate on business training for engineers.

13. The meeting ended with everyone agreeing that USACE and ACEC must continue to communicate and meet regularly at the staff and executive levels.